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Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 18 August 2010 from the Permanent Mission of the People's Republic of China to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the People's Republic of China to the United Nations has the honour to transmit herewith the report on the steps that the People's Republic of China has taken with a view to implementing effectively paragraphs 7 to 19 and 21 to 24 of Security Council resolution 1929 (2010) (see annex).

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Annex to the note verbale dated 18 August 2010 from the Permanent Mission of the People's Republic of China to the United Nations addressed to the Chairman of the Committee

[Original: Chinese]

Report by China on the implementation of Security Council resolution 1929 (2010)

1. China supports the adoption by the Security Council of resolution 1929 (2010), since it will contribute to preserving international non-proliferation mechanisms, maintaining international and regional peace and stability and promoting diplomatic efforts to resolve the Iranian nuclear issue peacefully.

As a permanent member of the Security Council, China has always conscientiously implemented the Council's resolutions in a responsible manner, and has developed effective operational mechanisms and practices in that regard. China is strictly implementing Security Council resolutions 1737 (2006), 1747 (2007) and 1803 (2008) and submits the relevant reports to the Security Council in a timely manner. Following the adoption by the Security Council of resolution 1929 (2010), the Ministry of Foreign Affairs of China issued a circular requesting that it should be conscientiously implemented in accordance with the law by all State ministries and commissions as well as by the Governments of all provinces, autonomous regions, municipalities and the Hong Kong and Macao Special Administrative Regions.

2. China has taken the following measures pursuant to the provisions of resolution 1929 (2010) and the relevant decisions of the Security Council Committee established pursuant to resolution 1737 (2006):

(a) China has established a comprehensive system of laws and regulations governing the export of nuclear material, missiles and related sensitive material. The regulatory scope of current Chinese export-control legislation is substantially the same as that of established international practice. On this basis China will continue to implement the resolution and the list of items embargoed for export to the Islamic Republic of Iran as determined by the committee.

(b) China will prohibit Iran, its nationals, and relevant entities of Iran as well any persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, from investing in territories under its jurisdiction in uranium-enrichment and reprocessing activities and all heavy-water activities or technology related to ballistic missiles capable of delivering nuclear weapons.

(c) China will ensure the freezing of funds, other financial assets and economic resources on its territory, that are owned or controlled by the persons or entities designated in Security Council resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010) or by the Security Council Committee established pursuant to resolution 1737 (2006) as providing support for or being engaged in Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems, persons acting on their behalf or at their direction or entities owned or controlled by them, including those acquired through illicit means, and will ensure that any funds, financial assets or economic resources are prevented

from being made available by its nationals or by any persons or entities within its territory, to or for the benefit of such persons or entities. The competent Chinese authorities will also include such persons on the list of persons to be denied entry into China in order to prevent their entry into or transit through its national territory.

(d) China has always taken a prudent and responsible attitude towards the export of military products, and manages them strictly. China will implement the provisions of the resolution conscientiously and will prevent the supply, sale or transfer to Iran of battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel and spare parts; it will also prevent the provision to Iran of technical training, financial resources or services, advice, other services or relevant assistance. It will also exercise vigilance and restraint over the supply to Iran of all other arms and related materiel. China will also prevent the transfer to Iran of technology or technical assistance related to ballistic missile technology capable of delivering nuclear weapons.

(e) The competent Chinese authorities have instructed seaports and airports in the country to conscientiously inspect all cargo to and from Iran if there is sufficient information that provides reasonable grounds to believe such cargo contains items that are prohibited under the relevant Security Council resolutions. China will, pursuant to the resolution, assist other countries in order to ensure the strict implementation of relevant provisions of the Council's resolutions.

(f) The competent Chinese authorities have reminded all financial institutions to intensify the screening of their business contacts with Iran and to prevent the provision of financial services, including insurance or re-insurance, if they have information that provides reasonable grounds to believe that such services could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems. China also demands the exercise of vigilance when doing business with Iranian entities, including those of the Islamic Revolutionary Guard Corps and the Islamic Republic of Iran Shipping Lines; financial institutions based in China or subject to Chinese jurisdiction are opening representative offices, subsidiaries or bank accounts in Iran; and Iranian banks opening new branches, subsidiaries or representative offices in its territory, in order to ensure that such transactions or activities do not contribute to Iran's proliferation-sensitive nuclear activities or the development of its nuclear weapon delivery systems.

3. Based on the principle of "one country, two systems", the Central Government of China is responsible for managing the defence and foreign affairs of the Hong Kong and Macao Special Administrative Regions (SARs); the Hong Kong and Macao SARs enjoy executive, legislative and independent judicial power, including that of final adjudication. For this reason, the Hong Kong and Macao SARs shall, upon notification by the Central Government, formulate their own laws and regulations so as to fully implement Council resolution 1929 (2010).

4. We hope that resolution 1929 (2010) will be fully and conscientiously implemented; we hold the view that sanctions are not an end in themselves but rather a means of bringing Iran back to the negotiating table. Sanctions and pressure alone will not resolve the problem; diplomatic negotiations still constitute the best option. That is the consensus of the international community. The sanctions imposed

by Security Council resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010) are limited and reversible. If Iran suspends its uranium enrichment and reprocessing activities and complies with the relevant resolutions of the International Atomic Energy Agency and the Security Council, the Council will suspend or even lift the sanctions. China calls upon all parties concerned to pursue responsible, constructive and comprehensive diplomatic efforts to strengthen dialogue and communication, build confidence and remove mistrust, demonstrate full flexibility and seek creative ways to resume negotiations, so as to achieve a long-term, comprehensive and appropriate agreement. China will continue to work constructively towards that goal.